

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2829 - SB 2766

February 16, 2022

SUMMARY OF BILL: Authorizes a local government or local education agency to create a program to incentivize eligible professionals to live and work within the boundaries of the local government by providing grants to such professionals in an amount that is equal to the amount of property tax due on such person's principal residence, upon approval of the program by the Comptroller of the Treasury (COT).

Requires the COT to evaluate and ensure that programs comply with certain criteria.

Requires grant recipients to use grant funds to offset living expenses from living within the local government boundaries and to provide an itemized accounting of all expenditures made using the grant funds to the granting authority on or before the date on which real property taxes are due.

FISCAL IMPACT:

Increase State Expenditures – \$169,400/FY22-23 and Subsequent Years

Other Fiscal Impact – The extent of any permissive increase in local government expenditures cannot reasonably be determined.

Assumptions:

- The proposed legislation would require the COT to review and ensure that programs:
 - Comply with the Constitution of Tennessee;
 - Have reasonable and equitable eligibility criteria; and
 - Have a clawback provision to reclaim funds if the recipient fails to meet eligibility requirements.
- Based on information provided by the COT, there are at least 660 local governments and local education agencies in the state that could seek approval for such a program.
- The COT will require two additional positions, one Attorney and one Legal Assistant, beginning FY22-23.
- There will be a recurring increase in state expenditures of \$169,448 {[((\$85,000 + \$21,045 benefits x 1 Attorney position) + [(\$48,432 salary + \$14,971 benefits) x 1 Legal Assistant position]} in FY22-23 and subsequent years.
- The proposed legislation is permissive and would authorize a local government to create a grant program to incentivize medical professionals, police officers, firefighters, and

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teachers to live and work within the boundaries of the local government by providing grants equal to the amount of property tax due on such a person's primary residence.

- A local government that chooses to implement such a program will experience an increase to expenditures; however, due to multiple unknown factors such as which local governments will create a program, how many eligible professionals will request grants, and the average amount of property taxes paid within the boundaries of each local government, the extent and timing of any permissive increase in expenditures cannot reasonably be determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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